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For Immediate Release

FCC ADDRESSES IP CAPTIONED TELEPHONE SERVICE FUNDING MECHANISM TO ENSURE LONG-TERM SUSTAINABILITY

New Rules Expand the Contribution Base That Supports Phone Services for Americans with Hearing Loss

WASHINGTON, November 22, 2019—The Federal Communications Commission today adopted new rules to broaden the support mechanism for Internet Protocol Captioned Telephone Service and replace interim funding structures without affecting the total contributions needed to support the service. The Report and Order incorporates intrastate revenues into the calculation of required contributions from telecommunications providers to the Telecommunications Relay Services (TRS) Fund to support IP Captioned Telephone Service (IP CTS).

IP CTS allows individuals who can speak but have difficulty hearing over the telephone to use a display-equipped telephone and a broadband connection to simultaneously listen to the other party and read captions of what the other party is saying. IP CTS is used today by hundreds of thousands of Americans to work and to connect with friends, family, and services.

IP CTS was launched a decade ago with an interim funding mechanism based only on the interstate telecommunications revenues of TRS Fund contributors, even though IP CTS provides captioning for both interstate and intrastate telephone calls. The program has grown exponentially over time, so much so that current-year IP CTS costs are projected to be \$913 million, or 64.5% of all TRS Fund payments, versus \$168 million in 2013. The Commission found that with that level of growth, the current rules unfairly burden providers and users of interstate services.

The Communications Act generally provides that TRS costs will be recovered from both interstate and intrastate calls. For the purpose of supporting IP CTS, the Order expands the TRS Fund contribution base to include end-user-paid revenues from intrastate as well as interstate voice communications services. Today's action will strengthen the contribution base for IP CTS funding, equalize carriers' funding obligations, and remedy any pricing distortion caused by the interim approach.

Consumer groups have supported this expansion of the contribution base, which will reduce the burden on providers of interstate service and help to ensure the long-term sustainability of this vital service.

The Report and Order:

• Amends the Commission's rules to provide that TRS Fund contributions to support IP CTS shall be calculated based on the total interstate and intrastate end-user revenues of

- each telecommunications carrier and voice over Internet Protocol (VoIP) service provider.
- Requires intrastate-only telecommunications carriers and VoIP service providers to contribute to the TRS Fund for support of IP CTS, based on their total end-user revenues
- Requires contributions to support IP CTS through the TRS Fund to be calculated by applying a single IP CTS contribution factor to contributors' total end-user revenues. This contribution factor is computed by dividing the TRS Fund's IP CTS revenue requirement by contributors' total interstate and intrastate end-user revenues.
- Does not affect the total contributions needed to support IP CTS.

To read more about TRS Fund-supported FCC programs which help persons with hearing or speech disabilities to place and receive telephone calls, visit: https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs

Action by the Commission November 22, 2019 by Report and Order (FCC 19-118). Chairman Pai, Commissioners O'Rielly, Carr, Rosenworcel, and Starks approving. Chairman Pai and Commissioner O'Rielly issuing separate statements.

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